



Economic Impact Analysis Virginia Department of Planning and Budget

23 VAC 10-70 – Virginia Slaughter Hog and Feeder Pig Excise Tax Regulations
Department of Taxation
September 10, 2007

Summary of the Proposed Amendments to Regulation

The Department of Taxation (Department) proposes to repeal these regulations.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Effective November 1, 1986, the federal “Pork, Promotion, Research, and Consumer Information Act of 1985”, 7 USC § 4801 (Federal Pork Act), ceded to the federal government the sole right to levy an excise tax on pork. As a result, the Virginia Slaughter Hog and Feeder Pig Excise Tax provided for by Code of Virginia section § 3.1-763.9 has not been imposed since that date.

Some citizens have expressed concern that if the Federal Pork Act is overturned, the Virginia pork industry would no longer be able to continue with its tax-funded programs. Since Code of Virginia section § 3.1-763.9 has not been repealed, the Virginia Slaughter Hog and Feeder Pig Excise Tax would become effective again if the Federal Pork Act were to be overturned.

The Virginia Slaughter Hog and Feeder Pig Excise Tax Regulations are essentially duplicative of Code of Virginia sections § 3.1-763.6, § 3.1-763.9, 3.1-763.10, § 3.1-763.11, and § 3.1-763.12, with one exception; the Regulations require that records be preserved for at least three years, while Code of Virginia section § 3.1-763.9 requires that records be kept for a period not less than two years. When the Code of Virginia and the Virginia Administrative Code are in conflict, the Code of Virginia applies. Thus, if as proposed by the Department these regulations

are repealed, the effective law in Virginia would not change. Consequently, the proposed repeal of these regulations would have no impact, other than perhaps to prevent confusion for those who find and read the regulations.

Businesses and Entities Affected

The proposed repeal of these regulations will not significantly affect businesses and entities.

Localities Particularly Affected

No localities are particularly affected.

Projected Impact on Employment

The proposed repeal of these regulations will not affect employment.

Effects on the Use and Value of Private Property

The proposed repeal of these regulations will not affect the use and value of private property.

Small Businesses: Costs and Other Effects

The proposed repeal of these regulations will not affect small businesses.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed repeal of these regulations will not affect small businesses.

Real Estate Development Costs

The proposed repeal of these regulations will not affect real estate development costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the

regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.